

Information note on trade in intermediate goods: fourth quarter 2021

- World exports of intermediate goods (IGs) increased by 21 per cent year-on-year (YoY) in the fourth quarter (Q4) of 2021, with a yearly recovery of 28 per cent compared with 2020, the peak year of the COVID-19 pandemic.
- The automotive sector, which was among the most affected by the COVID-19 crisis, slightly exceeded 2020 exports levels, rising by 2 per cent YoY in Q4 2021.
- High-tech components (e.g., processors, integrated circuits and memories) were the goods most traded within Asian supply chains.
- During Q4 2021, Africa intensified its exports of industrial inputs, notably to North America (an increase of 46 per cent YoY with a value of US\$ 7 billion) and to Asia (an increase of 45 per cent YoY, worth US\$ 33 billion).

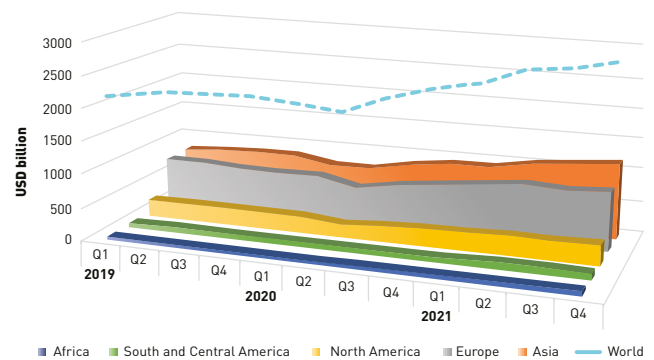
IG exports by region, Q4 2021

World IG exports increased by 21 per cent YoY in Q4 2021, continuing the upward trend observed throughout the year – an increase of 24 per cent compared with pre-pandemic levels in 2019.

Compared to the previous quarter, in Q4 2021 South and Central America saw IG exports decrease by 12 per cent, mainly due to a reduction of close to 50 per cent of Brazilian exports of iron ores and soybeans destined for Chinese industries.

North American IG export growth in the last quarter of 2021 (14.5 per cent YoY) was largely supported by US exports of soybeans to China, particularly for animal feed, such as for hog herds.

During the same period, Asian and African exports of industrial inputs to supply chains rose by more than 24 per cent YoY, while Europe exports of inputs grew by 18 per cent.



Source: Trade Data Monitor (110 reporting economies, including estimates for Africa).

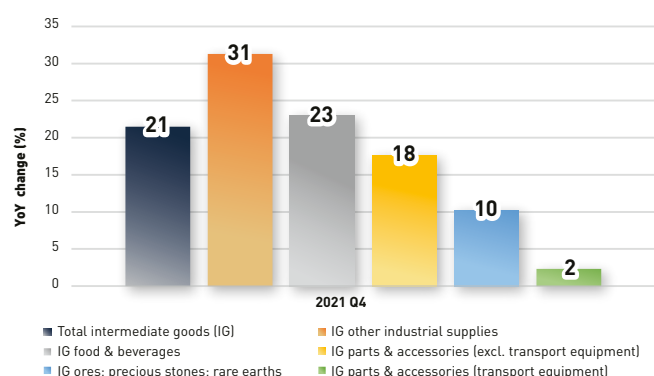
World IG exports by category, Q4 2021

The exports of main IG categories followed a YoY growth pattern in Q4 2021 similar to that of the previous quarter. Other industrial supplies (covering a wide range of manufacturing inputs, such as metal structures, articles and compounds, electrical conductors, and medical and pharma products) continued to dominate world exchanges of inputs in terms of growth (31 per cent YoY) and value (US\$ 1.3 billion).

Following sharp growth of 28 per cent in Q3 2021, world exports of primary and processed food and beverage products increased slightly less in Q4, showing growth of 23 per cent YoY.

The strong YoY export growth of more than 40 per cent both for ores and precious stones during Q1 and Q2 2021 slowed in Q3 to 13 per cent and in Q4 to 10 per cent, mainly due to the persistent decrease of iron ore prices during the second half of 2021.

World exports of inputs for transport equipment remained just above their 2020 level, with a YoY increase of 2 per cent in Q4 2021. Compared to the previous quarter, however, the sector's exports grew by 7 per cent.



Source: Trade Data Monitor.

IG are inputs used to produce a final product. They range from crops used in food production to textiles and metals needed to manufacture goods. Trade in IGs is an indicator of activity in supply chains, which was severely impacted in the early stages of the COVID-19 crisis. The share of IGs in total trade (excluding fuels) in Q4 2021 was 51 per cent, a ratio that has remained constant over the last decade.

Top IG exporters, Q4 2021

More than half of China's exports of industrial inputs (e.g., memories, integrated circuits, and parts and accessories for consumer products) was directed to regional supply chains, and particularly to high-tech industries.

Thanks to investment and trade policy incentives, as well as to its strategic geographical location, Malaysia has become a major hub in Southeast Asia's production networks. The economy was listed among the top 15 IG exporters in Q4 2021, with a YoY growth of 28 per cent and three-quarters of its domestically produced inputs shipped to Asian partners. National electrical and electronics industries contributed the most, with processors, memories and integrated circuits representing more than 30 per cent of total IG exports. Crude and refined palm oil accounted for almost 9 per cent.

French IG exports, which rose by 20 per cent YoY in Q4 2021, mainly consisted of airplane and automotive parts and accessories (e.g., turbojets, turbo propellers and gearboxes), amounting to 10 per cent of total IG exports. Other major export categories were vaccines¹ and pharmaceutical preparations, as well as wheat and meslin, which each totalled around 3 per cent.

Top IG exporters			
Rank	Exporter	US\$ bn	YoY change (%)
1	China	418	33
2	United States	213	17
3	Germany	177	8
4	Hong Kong, China	130	24
5	Korea, Rep. of	110	23
6	Japan	102	10
7	Chinese Taipei	92	26
8	Netherlands	83	22
9	Belgium	74	39
10	Singapore	71	21
11	France	65	20
12	Italy	65	9
13	United Kingdom	63	34
14	Canada	54	15
15	Malaysia	52	28

Source: Trade Data Monitor.

Inter- and intra-regional IG trade, Q4 2021

In Q4 2021, for the third consecutive quarter, IG exchanges of intermediate goods within South and Central America increased the most among all regions, by 39 per cent YoY. The rise was supported by Brazilian and Argentinian exports of primary and semi-finished food and ores products. Most of the strongest YoY increases in other regions' exports were in IGs that were also destined for South and Central American industries.

North America intensified its exports to Africa by 43 per cent YoY, an increase of 73 per cent compared to Q3 2021. This huge quarterly rise resulted from increased US exports, as exports of soybeans were multiplied by twenty, reaching US\$ 0.8 billion in Q4, and exports of vaccines increased fourfold, to reach US\$ 0.7 billion.

Africa's exports to Asia continued their rapid rise of 45 per cent YoY in Q4 2021, reaching US\$ 33 billion. The region's exports to North America increased at the same rate, although with a lower value (US\$ 7 billion).

Top IG importers, Q4 2021

Hong Kong, China sourced up to 84 per cent of its supply of foreign inputs from Asia, of which 39 per cent from China, 22 per cent from Chinese Taipei, and 12 per cent from the Republic of Korea. The predominance of electronic components in its IG imports underlines the role of Hong Kong, China as a high-tech hub for global supply chains.

Mexico is closely linked to the United States and China for its supply of manufacturing inputs, which accounted respectively for 41 per cent and 20 per cent of Mexico's total IG imports in Q4 2021. Mexico's imports from the United States reached US\$ 31 billion in Q4 2021, with corn as the top imported input (US\$ 0.9 billion). A wide range of parts and accessories destined for the automotive and electrical industries constituted the bulk of US supplies to Mexico.

Top IG importers			
Rank	Importer	US\$ bn	YoY change (%)
1	China	439	19
2	United States	268	24
3	Germany	154	15
4	Hong Kong, China	128	25
5	India	89	42
6	Japan	81	29
7	Korea, Rep. of	81	31
8	Netherlands	78	26
9	Mexico	75	23
10	France	72	16
11	United Kingdom	71	-12
12	Italy	67	24
13	Belgium	64	36
14	Singapore	63	23
15	Chinese Taipei	60	29

Source: Trade Data Monitor.

Importer → ↓ Exporter	YoY change (%)				
	Africa	Asia	Europe	North America	South & Central America
Africa	13	45	2	46	68
Asia	26	22	27	26	44
Europe	21	21	18	14	22
North America	43	11	3	15	25
South & Central America	27	21	23	37	39

Note: Diagonal represents intra-regional trade while off-diagonal percentages stand for inter-regional trade.

Source: Trade Data Monitor (including estimates for Africa).

1 Vaccine products, covering all vaccines for human medicine, including those related to COVID-19, are part of the IG definition used in this information note.

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APPENDIX TABLES

World merchandise exports of intermediate goods by region, Q1 2019 to Q4 2021

(US\$ billion)

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
World	1971	2013	1998	1989	1878	1696	1980	2164	2259	2488	2511	2629
Africa	48	48	47	47	45	38	47	54	58	68	67	69
Asia	771	811	834	838	736	743	858	931	940	1046	1099	1158
Europe	766	758	719	714	727	596	697	766	840	897	864	905
North America	263	269	262	259	253	201	246	276	282	299	296	316
South and Central America	72	79	81	75	68	74	78	78	86	113	114	99
Other regions	51	48	55	57	49	46	55	59	55	64	71	81

Source: WTO estimates based on data from Trade Data Monitor.

World merchandise exports of intermediate goods by category, Q1 2019 to Q4 2021

(US\$ billion)

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total intermediate goods	1971	2013	1998	1989	1878	1696	1980	2164	2259	2488	2511	2629
IG food and beverages	75	75	75	81	79	83	82	95	97	108	105	117
IG other industrial supplies	971	981	937	924	896	800	891	988	1068	1218	1231	1297
IG ores, precious stones, rare earths	156	168	182	176	165	178	217	217	238	262	245	239
IG parts and accessories (excl. transport equipment)	504	523	542	547	491	481	558	601	595	638	677	707
IG parts and accessories (transport equipment)	265	265	261	261	246	155	234	264	261	262	253	270

Source: WTO estimates based on data from Trade Data Monitor.

Inter- and intra-regional exports of intermediate goods, 2021-Q4

(US\$ billion Q4 2021)

↓ Exporter	Importer →	Africa	Asia	Europe	North America	South and Central America
Africa		5	33	21	7	2
Asia		29	773	137	139	32
Europe		27	112	632	73	14
North America		5	83	49	150	20
South and Central America		2	43	15	16	15

Note: Diagonal represents intra-regional trade while off-diagonal figures stand for inter-regional trade.

Source: WTO estimates based on data from Trade Data Monitor.